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## Market Administrator's

## BULLETIN

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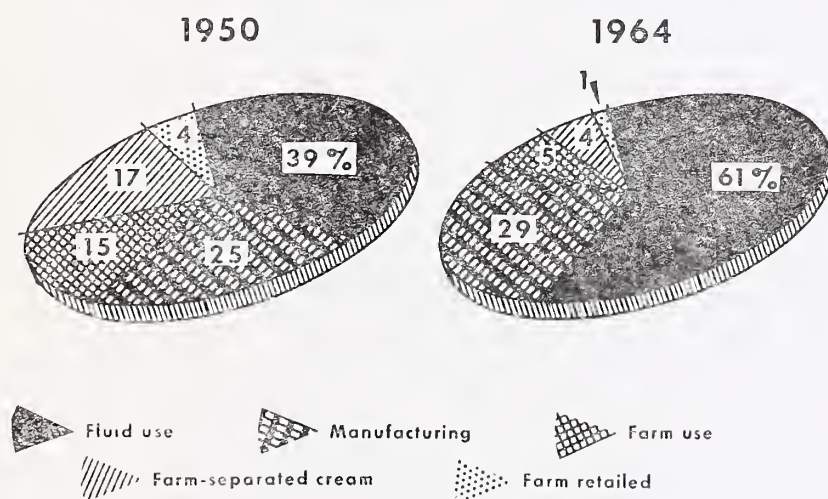
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## Research Graph Illustrates Increased Fluid Milk Use; Trend To Continue

### MARKETINGS AND FARM USE FOR 100 POUNDS OF MILK



U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 3742-65 (6) ECONOMIC RESEARCH SERVICE

In 1964, 61 percent of U. S. farm milk production was sold to plants and dealers as milk eligible for fluid use (Grade A) compared with 39 percent in 1950. This significant shift occurred, because farmers could realize better returns for labor and capital for Grade A milk than for

manufacturing grade milk. Because of the shift from farm-separated cream to whole milk marketings and declining farm use, sales of manufacturing milk have also gained, but at a slower rate than sales of Grade A milk. Trends in use of milk on farms and in the way milk is marketed likely will continue.

## USDA Reports More Than 40% of U.S. Dairy Cows Now Bred Artificially

More than 40 percent of all U. S. dairy cows were bred artificially last year, the current report of the Dairy Herd Improvement Section of the U. S. Dept. of Agriculture shows.

Pennsylvania headed rankings of individual states with 64.1 percent of the State's dairy cows artificially bred. Wisconsin, the Nation's leading dairy State, was fourth with 58.5 percent. Wisconsin, however, led the other States in number of cows artificially bred 1.4 million.

Number of dairy cows bred artificially — now 41.4 percent — have increased steadily in the United States over the years. In 1964 the total was 7.3 million; in 1954, it was 5.1 million, and in 1939 (near the beginning of artificial breeding) only about 7,000.

More than one million dairy cows, 15.3 percent of all those bred artificially, were mated to beef bulls in 1964. This reflects an interest by many farmers in "dairy beef."

The newly released figures show the increasing potential of artificial breeding in spreading the genetic contribution of superior sires over a large number of herds. More than 3,000 cows were bred per sire in 1964, compared with less than 2,000 in 1954, and 228 in 1939. A bull mated naturally breeds about 15 to 20 cows per year.



*Columbus*

**MARKET FACTS FOR EASY REFERENCE**

**PRICE SUMMARY**

|                                                                  |      |
|------------------------------------------------------------------|------|
| Producers' Uniform Price (3.5%) .....                            | 4.50 |
| Class I (3.5%) .....                                             | 4.84 |
| Class II (3.5%) .....                                            | 3.25 |
| Class III (3.5%) .....                                           | —    |
| Class IV (3.5%) .....                                            | —    |
| Producer Butterfat Differential for each one-tenth percent ..... | 8.0¢ |

**UTILIZATION SUMMARY**

|                                                  |      |
|--------------------------------------------------|------|
| Percent of Producer Milk in Class I .....        | 77.7 |
| Percent of Producer Butterfat in Class I .....   | 77.2 |
| Percent of Producer Milk in Class II .....       | 22.3 |
| Percent of Producer Butterfat in Class II .....  | 22.8 |
| Percent of Producer Milk in Class III .....      | —    |
| Percent of Producer Butterfat in Class III ..... | —    |
| Percent of Producer Milk in Class IV .....       | —    |
| Percent of Producer Butterfat in Class IV .....  | —    |

**PRODUCER MILK RECEIPTS**

|                                               |             |
|-----------------------------------------------|-------------|
| Total Pounds of Producer Milk Delivered ..... | 42,514,513  |
| Average Daily Class I Producer Milk .....     | 1,644       |
| Total Number of Producers .....               | 1,371,436   |
| Average Daily Receipts per Producer .....     | 834         |
| Average Butterfat Test .....                  | 3.53        |
| Total Value of Producers Milk at Test .....   | \$1,915,240 |
| Income per Producer (7 day average) .....     | \$263       |

**GROSS CLASS USE (Pounds)**

|                          |            |
|--------------------------|------------|
| Class I Skim .....       | 31,868,391 |
| Class I Butterfat .....  | 1,158,102  |
| Class I Milk .....       | 33,026,493 |
| Class II Skim .....      | 341,497    |
| Class II Butterfat ..... | 9,146,522  |
| Class II Milk .....      | 9,488,019  |

**AVERAGE DAILY SALES (Quarts)**

|                  |         |
|------------------|---------|
| Milk .....       | 396,835 |
| Buttermilk ..... | 6,318   |
| Chocolate .....  | 18,850  |
| Skim .....       | 11,483  |
| Cream .....      | 8,698   |

| Aug.<br>1965 | July<br>1965 | Aug.<br>1964 |
|--------------|--------------|--------------|
| 4.50         | \$4.06       | \$4.18       |
| 4.84         | 4.55         | 4.47         |
| 3.25         | 3.17         | 3.15         |
| —            | —            | —            |
| —            | —            | —            |
| 8.0¢         | 7.6¢         | 7.5¢         |
| 77.7         | 78.1         | 77.1         |
| 77.2         | 78.1         | 77.0         |
| 22.3         | 21.9         | 22.9         |
| 22.8         | 21.9         | 23.0         |
| —            | —            | —            |
| —            | —            | —            |
| —            | —            | —            |
| —            | —            | —            |
| 42,514,513   | 43,692,961   | 43,359,952   |
| 1,644        | 1,409,450    | 1,082,046    |
| 1,371,436    | 1,632        | 1,646        |
| 834          | 864          | 850          |
| 3.53         | 3.50         | 3.54         |
| \$1,915,240  | \$1,858,240  | \$1,819,629  |
| \$263        | \$257        | \$249        |
| 31,868,391   | 32,915,665   | 32,357,618   |
| 1,158,102    | 1,196,805    | 1,184,824    |
| 33,026,493   | 34,112,470   | 35,543,442   |
| 341,497      | 9,244,902    | 10,880,792   |
| 9,146,522    | 355,587      | 368,149      |
| 9,488,019    | 9,580,489    | 11,248,941   |
| 396,835      | 413,342      | 395,013      |
| 6,318        | 7,322        | 7,182        |
| 18,850       | 17,263       | 19,023       |
| 11,483       | 12,211       | 11,960       |
| 8,698        | 9,120        | 9,328        |



**COMPARATIVE STATISTICS**



**COLUMBUS MARKETING AREA**

★ AUG., 1956 - '65

| Year       | Receipts From Producers | Average Butter-fat Test | Percentage of Producer Milk in Each Class |          |           |          | Uniform Producer Price (3.5%) | Class Prices at 3.5% |          |           |          | Number of Producers | Daily Average Production |
|------------|-------------------------|-------------------------|-------------------------------------------|----------|-----------|----------|-------------------------------|----------------------|----------|-----------|----------|---------------------|--------------------------|
|            |                         |                         | Class I                                   | Class II | Class III | Class IV |                               | Class I              | Class II | Class III | Class IV |                     |                          |
| 1956 ..... | 24,008,583              | 3.70                    | 76.0                                      | 9.8      | 9.5       | 4.7      | 4.34                          | 4.496                | 4.096    | 4.096     | 3.220    | 2,032               | 381                      |
| 1957 ..... | 23,766,796              | 3.64                    | 80.7                                      | 8.8      | 6.7       | 3.8      | 4.41                          | 4.579                | 4.179    | 4.079     | 3.076    | 1,892               | 405                      |
| 1958 ..... | 22,444,604              | 3.71                    | 83.9                                      | 9.0      | 2.8       | 4.3      | 4.25                          | 4.383                | 3.983    | 3.883     | 2.880    | 1,782               | 406                      |
| 1959 ..... | 25,347,579              | 3.64                    | 85.2                                      | 9.1      | 2.3       | 3.4      | 4.37                          | 4.479                | 4.079    | 3.753     | 3.054    | 1,738               | 471                      |
| 1960 ..... | 26,234,265              | 3.64                    | 79.5                                      | 8.6      | 3.3       | 8.6      | 4.21                          | 4.394                | 3.994    | 3.699     | 2.998    | 1,623               | 521                      |
| 1961 ..... | 26,599,504              | 3.60                    | 78.1                                      | 8.5      | 4.9       | 8.5      | 4.47                          | 4.664                | 4.264    | 3.927     | 3.254    | 1,218               | 705                      |
| 1962 ..... | 30,341,877              | 3.54                    | 78.7                                      | 8.3      | 5.4       | 7.6      | 4.18                          | 4.34                 | 3.956    | 3.65      | 2.998    | 1,308               | 748                      |
| 1963 ..... | 34,665,174              | 3.56                    | 79.1                                      | 8.9      | 4.8       | 7.2      | 4.23                          | 4.40                 | 4.01     | 3.715     | 3.063    | 1,359               | 823                      |
| 1964 ..... | 43,359,952              | 3.54                    | 77.1                                      | 22.9     | —         | —        | 4.18                          | 4.47                 | 3.15     | —         | —        | 1,646               | 850                      |
| 1965 ..... | 42,514,513              | 3.53                    | 77.2                                      | 22.8     | —         | —        | 4.50                          | 4.84                 | 3.25     | —         | —        | 1,644               | 834                      |

## Sales of Feed Grains By CCC Larger This Year

The Feed Situation, Economic Research Service USDA July 1965

CCC feed grain sales have increased this year after falling sharply in 1963-64 from the high level of the 2 preceding years. Beginning with the 1963-64 marketing year the sales provision of the program was changed and sales of feed grains against the certificate pool could not be made at below the loan rates plus carrying charges during the year. These changes in the sales provisions of the program and in the loan rates resulted in feed grain prices advancing above the loan rates in 1963-64 and 1964-65. Under the new regulations, sales were determined much more by the difference between the size of the crop and the total quantity

of feed grains consumed during the marketing year than was the case under the first 2 years of the program. In those 2 years, large sales by CCC were made at prices well below the loan rate of \$1.20 per bushel.

During 1964-65, with feed grain production considerably below total requirements, feed grain sales increased sharply. CCC sales of corn were especially heavy during January-May, but have been comparatively small in June and July. Combined sales for domestic use and export during October 1 through July 30 totalled 390 million bushels. CCC sales of sorghum grain during this period totalled 154 million bushels,

bringing the combined sales of the 2 grains to 544 million bushels, more than double the 231 million sold in the same period of 1963-64.

The total value of the certificate pool — certificates earned by farmers for acreage diversion and price support payments—for 1964-65 was about 1.7 billion, including certificates carried over from earlier years. Sales of corn against this pool from October 1964 through July 30 totalled 283 million bushels and sorghum grain about 22 million. The value of these sales were about \$370 million, leaving a little over \$1.3 billion still in the certificate pool.

## Corn Disappearance Up 4 Percent; April 1 Stocks Down

The Feed Situation, Economic Research Service USDA July 1965

Total disappearance of corn during October-March amounted to 2,223 million bushels, 86 million or 4 percent more than a year earlier. Heavier domestic use in the first quarter accounted for practically the same as a year earlier. October-March corn exports, in spite of the dock strike, were practically the same as the record 271 million bushels shipped in that period of 1963-64.

Total disappearance of corn for the 1964-65 marketing year is now expected to about equal the 3,928 million bushels consumed in 1963-64. Higher corn prices and fewer hogs on farms may reduce domestic use in April-September to a little below

the 1,562 million consumed domestically in the period of 1964. Exports of corn are expected to be a little larger than the 500 million bushels exported in 1953-64. This would leave a carryover into 1965-66 of 1,125 million bushels, 385 million less than was carried over on October 1, 1964.

April 1 stocks of corn in all positions totaled 2,836 million bushels, 466 million less than a year earlier and the smallest for that date since 1958. Stocks owned by CCC and under loan totaled 1,327 million bushels, 239 million less than a year earlier. The 1,509 million bushels of corn out-

side the price support program was 227 million below "free" stocks on that date last year. Total corn requirements for April-September are now estimated at a little over 1.8 billion bushels. This includes about 1.7 billion for domestic use and export and 100 million to 125 million bushels for "free" carryover. Based on these prospective requirements, about 300 million bushels of corn will need to be released from stocks under loan through farmers repayment of loans and by sales from CCC stocks during April - September. From April 1 through May 14 CCC sales averaged 14 million bushels per week, totaling 84 million for the six weeks.

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THE  
Market  
Administration  
BULLETIN

## GRAIN-CONSUMING LIVESTOCK NUMBERS EXPECTED TO DE- CLINE SLIGHTLY IN 1965-66

The Feed Situation, Economic Research Service  
USDA July 1965

The number of grain-consuming livestock on farms is expected to decline slightly in the 1965-66 feeding year, continuing the downward movement of the past 2 years. Influenced by less favorable livestock-feed price ratios, the number of grain-consuming animal units declined from 172.8 million in 1962-63 to 167.7 million in 1964-65. The reduction in the past 2 years has been principally due to a decline in hog production. The smaller 1965 pig crops will reduce hog feeding at least through the first half of the 1965-66 feeding year.

Cattle feeding leveled off in the past 3 years following a rather sharp increase in feeding operations during 1956-61. Lower beef cattle prices in relation to corn prices during 1963 and 1964 appears to have been a major factor influencing cattle feeding during the past 2 years. The number of dairy cows on farms has been declining in recent years, but this has been more than offset by increases in the quantity of grains and other concentrates fed per cow. A small increase is in prospect in poultry in 1965-66, due largely to some further expansion in prospect for commercial broiler production.

## Market Quotations

AUGUST  
1965

|                                                                                                             |        |
|-------------------------------------------------------------------------------------------------------------|--------|
| MINNESOTA - WISCONSIN PRICE SERIES .....                                                                    | \$3.25 |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus) .....                                               | 3.16   |
| Average Price per lb. 92-score butter at Chicago .....                                                      | .6103  |
| Average carlot prices non-fat dry milk solids<br>roller and spray process, f.o.b. manufacturing plant ..... | .1431  |

## Factors Affecting Sales of Skim Milk Items

The Dairy Situation, Economic Research Service USDA July 1965

Sales of various skim items (plain and solids-added skim milk, low-fat milk, flavored milk drinks, and buttermilk) last year were 32.1 pounds per capita more than double the 1950 rate. This gain was largely due to the rapid gains in sales of plain skim milk and skim milk with added solids. Skim milk is sold both plain and with added solids. Skim milk or "skimmed milk" may contain from a trace to nearly as much milk fat as whole milk. Fat and solids-not-fat content varies from market to market, depending on state standards and local market practices. Often nonfat milk solids are added, as well as Vitamin A and D. Trade names are frequently used to promote the sale of skim milk and low-fat milk.

Fluid skim milk usually sells to consumers at a discount compared with whole milk. Beginning last year, Bureau of Labor Statistics began collecting retail prices for skim milk. For 1964, fluid skim milk averaged

3.5 cents per half gallon (2 quarts) less than fluid whole milk in stores. However, for 12 larger cities, skim milk sold at price differentials from whole milk ranging from 14 cents per half gallon less in Los Angeles to 8 cents more in Boston.

## USDA SAYS COWS IN DAIRY HERD IMPROVEMENT PRO- GRAM EARN \$216 EXTRA

Dairymen belonging to the Dairy Herd Improvement Association (DHIA), sponsored by the U. S. Department of Agriculture, produced milk valued at \$216 more per cow during the last fiscal year than producers not participating in DHIA.

Cows in DHIA herds exceeded milk yield of those in non-DHIA herds by 4,708 pounds in fiscal 1964-65 — an advantage of 65 percent. Since milk prices paid to members averaged \$4.95 per hundred pounds, the additional milk was valued at \$216 per cow.